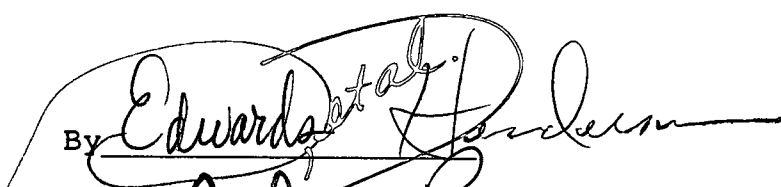



By   


S. J. R. No. 74

A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 50b-2 to read as follows:

Sec. 50b-2. ADDITIONAL STUDENT LOANS. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board, or its successor or successors, to provide for, issue, and sell general obligation bonds of the State of Texas in an amount not to exceed \$50 million in addition to those bonds issued under Sections 50b and 50b-1 of this constitution.

(b) The bonds shall:

(1) be executed in the form, on the terms, and in the denominations as prescribed by law; and

(2) bear interest and be issued in installments as prescribed by the Texas Higher Education Coordinating Board, or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The proceeds from the sale of bonds issued under this section shall be credited to the Texas opportunity plan fund created by Section 50b of this constitution and shall be

1 administered as provided by Section 50b of this constitution and  
2 the law enacted under that constitutional provision.

3 (e) Bonds issued under this section are payable in the same  
4 manner and from the same sources as bonds authorized under Section  
5 50b of this constitution.

6 (f) Bonds issued under this section, after approval by the  
7 attorney general, registration by the comptroller of public  
8 accounts, and delivery to the purchasers, are incontestable and are  
9 general obligations of the State of Texas under this constitution.

10 SECTION 2. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held on November 7,  
12 1989. The ballot shall be printed to provide for voting for or  
13 against the proposition: "The constitutional amendment providing  
14 for the issuance of general obligation bonds to assist in financing  
15 the Texas opportunity plan fund to provide loans to students to  
16 attend institutions of higher education."

By: Edwards, et al.

S.J.R. No. 74

(In the Senate - Filed April 25, 1989; April 25, 1989, read first time and referred to Committee on State Affairs; May 9, 1989, reported adversely, with favorable Committee Substitute by the following vote: Yeas 11, Nays 0; May 9, 1989, sent to printer.)

#### COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Montford	x			
Henderson	x			
Armbrister	x			
Caperton				x
Edwards	x			
Glasgow	x			
Green	x			
Harris	x			
Leedom	x			
Lyon	x			
McFarland	x			
Parmer	x			
Washington				x

COMMITTEE SUBSTITUTE FOR S.J.R. No. 74

By: Edwards

#### SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds as college savings bonds by the Texas Higher Education Coordinating Board to provide educational loans to students and to encourage the public to save for a college education.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 50b-2 to read as follows:

Sec. 50b-2. ADDITIONAL STUDENT LOANS. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board or its successor or successors to provide for, issue, and sell general obligation bonds of the State of Texas in an amount not to exceed \$75 million in addition to those bonds issued under Sections 50b and 50b-1 of this constitution. Bonds issued under this section shall be issued as college savings bonds as provided by law.

(b) The bonds shall:

(1) be executed in the form, on the terms, and in the denominations as prescribed by law; and

(2) bear interest and be issued in installments as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The proceeds from the sale of bonds issued under this section shall be credited to the Texas opportunity plan fund created by Section 50b of this constitution and shall be administered as provided by Section 50b of this constitution and the law enacted under that constitutional provision.

(e) Bonds issued under this section are payable in the same manner and from the same sources as bonds authorized under Section 50b of this constitution.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable and are general obligations of the State of Texas under this constitution.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 7, 1989. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment providing for the issuance of general obligation bonds as college savings bonds to provide educational loans to students and to encourage the public to save for a college education."

\* \* \* \* \*

Austin, Texas  
May 9, 1989

Hon. William P. Hobby  
President of the Senate

Sir:

We, your Committee on State Affairs to which was referred S.J.R. No. 74, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Montford, Chairman

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 3, 1989

TO: Honorable John T. Montford, Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Senate Joint Resolution  
No. 74  
By: Edwards

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 74 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education) this office has determined the following:

The resolution proposes a constitutional amendment which, if adopted, would authorize the Texas Higher Education Coordinating Board to issue up to \$50 million in general obligation bonds to assist in financing the Texas Opportunity Plan Fund to make loans to students to attend institutions of higher education. The proposed amendment would be submitted to the voters on November 7, 1989.

The cost of publication of the resolution to the State is estimated to be \$60,000.

The resolution would be implemented by legislation such as Senate Bill No. 1762, as introduced, with fiscal implications as follows:

The bill would establish a college and university savings bond program to provide the public with a method of saving that encourages enrollment at public and private postsecondary educational institutions.

The bill would require the state treasurer and the Governor to administer the savings bond program and supervise, organize, and evaluate the college and university saving bond advisory board created by the bill.

The college and university advisory board would consist of the Comptroller of Public Accounts, the commissioner of higher education, and three members of the public appointed by the Governor with the advice and consent of the Senate. The advisory board would be required to make recommendations concerning proper marketing of the bonds and advise the state treasurer and the Governor about an effective advertising campaign to inform the public about the savings bond program.

The bill would authorize financial incentives to be provided to the holders of college savings bonds; however, the bill stipulates the financial incentive cannot exceed the amount equal to one-half of one percent of the total amount of college savings bonds maturing during a biennium.

The bill would authorize the state treasurer to issue and sell savings bonds which would be general obligations of the State. The bonds would be zero coupon bonds.

The fiscal implication to the State cannot be determined.

No fiscal implication to units of local government is anticipated.

Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, PA

# SENATE FAVORABLY AS SUBSTITUTED COMMITTEE REPORT

Lt. Governor William P. Hobby  
President of the Senate

May 8, 1989 - 5:24 pm  
(date)/(time)

Sir:

We, your Committee on STATE AFFAIRS to which was referred  
SJR 74 by EDWARDS have on 5-8, 19 89, had the same  
(measure) (sponsor) (hearing date)

under consideration and I am instructed to report it back with the recommendation (s) that it

- ☒ do pass as substituted, and be printed  
☒ the caption remained the same as original measure  
☐ the caption changed with adoption of the substitute

☐ do pass as substituted, and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

Senate Sponsor of House Measure \_\_\_\_\_

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Montford, Chairman	<input checked="" type="checkbox"/>			
Henderson, Vice Chairman	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Caperton	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Edwards	<input checked="" type="checkbox"/>			
Glasgow	<input checked="" type="checkbox"/>			
Green	<input checked="" type="checkbox"/>			
Harris	<input checked="" type="checkbox"/>			
Leedom	<input checked="" type="checkbox"/>			
Lyon	<input checked="" type="checkbox"/>			
McFarland	<input checked="" type="checkbox"/>			
Parmer	<input checked="" type="checkbox"/>			
Washington	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
TOTAL VOTES	11	0	0	2

Therese Hickey  
COMMITTEE CLERK

Montford  
CHAIRMAN

By: Edwards, et al.

S.J.R. No. 74

Substitute the following for S.J.R. No. 74:

By: Edwards

C.S.S.J.R. No. 74

SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of  
general obligation bonds <sup>as college savings bonds</sup> by the Texas Higher Education Coordinating  
Board to <sup>provide educational loans to students and to</sup> ~~assist in financing the Texas opportunity plan fund to~~  
~~make loans to students to attend institutions of higher education.~~  
<sup>encourage the public to save for a college education.</sup>

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended  
by adding Section 50b-2 to read as follows:

Sec. 50b-2. ADDITIONAL STUDENT LOANS. (a) The legislature  
by general law may authorize the Texas Higher Education  
Coordinating Board or its successor or successors to provide for,  
issue, and sell general obligation bonds of the State of Texas in  
an amount not to exceed \$75 million in addition to those bonds  
issued under Sections 50b and 50b-1 of this constitution. Bonds  
issued under this section shall be issued as college savings bonds  
as provided by law.

(b) The bonds shall:

(1) be executed in the form, on the terms, and in the  
denominations as prescribed by law; and

(2) bear interest and be issued in installments as  
prescribed by the Texas Higher Education Coordinating Board or its  
successor or successors.

(c) The maximum net effective interest rate to be borne by  
bonds issued under this section must be set by law.

5-9-89  
5-15-89  
5-26-89

1        (d) The proceeds from the sale of bonds issued under this  
2        section shall be credited to the Texas opportunity plan fund  
3        created by Section 50b of this constitution and shall be  
4        administered as provided by Section 50b of this constitution and  
5        the law enacted under that constitutional provision.

6        (e) Bonds issued under this section are payable in the same  
7        manner and from the same sources as bonds authorized under Section  
8        50b of this constitution.

9        (f) Bonds issued under this section, after approval by the  
10       attorney general, registration by the comptroller of public  
11       accounts, and delivery to the purchasers, are incontestable and are  
12       general obligations of the State of Texas under this constitution.

13       SECTION 2. This proposed constitutional amendment shall be  
14       submitted to the voters at an election to be held on November 7,  
15       1989. The ballot shall be printed to provide for voting for or  
16       against the proposition: "The constitutional amendment providing  
17       for the issuance of general obligation bonds as college savings  
18       bonds to provide educational loans to students and to encourage the  
19       public to save for a college education."



May 15 1989 Engrossed

*Lacey Graw*  
Engrossing Clerk

1989 MAY 17 PM 4:45

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct  
copy of SJR 74, which was  
received from the Senate on 5-15-89 and  
referred to the Committee on Higher Education

*Robert Graw*  
Chief Clerk of the House

By: Edwards, et al.  
(Delco)

S.J.R. No. 74

SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of  
general obligation bonds as college savings bonds by the Texas  
Higher Education Coordinating Board to provide educational loans to  
students and to encourage the public to save for a college  
education.

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9 attorney general, registration by the comptroller of public  
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11 general obligations of the State of Texas under this constitution.

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13 submitted to the voters at an election to be held on November 7,  
14 1989. The ballot shall be printed to provide for voting for or  
15 against the proposition: "The constitutional amendment providing  
16 for the issuance of general obligation bonds as college savings  
17 bonds to provide educational loans to students and to encourage the  
18 public to save for a college education."

1-6652  
1-5-89

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 12, 1989

TO: Honorable John T. Montford,  
Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Committee Substitute for  
Senate Joint Resolution No. 74

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 74 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education) this office has determined the following:

The resolution proposes a constitutional amendment which, if adopted, would authorize the Texas Higher Education Coordinating Board to issue up to \$75 million in general obligation bonds to assist in financing the Texas Opportunity Plan Fund to make loans to students to attend institutions of higher education. The proposed amendment would be submitted to the voters on November 7, 1989.

The cost of publication of the resolution to the State is estimated to be \$60,000.

The resolution would be implemented by legislation such as Committee Substitute for Senate Bill No. 1762 with fiscal implications as follows:

The bill would establish a college and university savings bond program to provide the public with a method of saving that encourages enrollment at public and private postsecondary educational institutions.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would establish a college and university savings bond program to provide the public with a method of saving that encourages enrollment at public and private postsecondary educational institutions.

The bill would require the Higher Education Coordinating Board to administer to the college savings bonds program.

The bill would authorize the Higher Education Coordinating Board to issue and sell college savings bonds which would be general obligations of the State in an amount not to exceed \$75 million. The bonds would be zero coupon bonds.

The proceeds from the college savings bonds would be a part of the Texas Opportunity Plan Fund to be used for student loans.

The fiscal implication to the State cannot be determined.

No fiscal implication to units of local government is anticipated.

Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, LV

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 3, 1989

TO: Honorable John T. Montford, Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Senate Joint Resolution  
No. 74  
By: Edwards

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 74 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education) this office has determined the following:

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The bill would require the state treasurer and the Governor to administer the savings bond program and supervise, organize, and evaluate the college and university saving bond advisory board created by the bill.

The college and university advisory board would consist of the Comptroller of Public Accounts, the commissioner of higher education, and three members of the public appointed by the Governor with the advice and consent of the Senate. The advisory board would be required to make recommendations concerning proper marketing of the bonds and advise the state treasurer and the Governor about an effective advertising campaign to inform the public about the savings bond program.

The bill would authorize financial incentives to be provided to the holders of college savings bonds; however, the bill stipulates the financial incentive cannot exceed the amount equal to one-half of one percent of the total amount of college savings bonds maturing during a biennium.

The bill would authorize the state treasurer to issue and sell savings bonds which would be general obligations of the State. The bonds would be zero coupon bonds.

The fiscal implication to the State cannot be determined.

No fiscal implication to units of local government is anticipated.

Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, PA

# HOUSE COMMITTEE REPORT

89 MAY 20 PM 8: 25  
HOUSE OF REPRESENTATIVES

## 1st Printing

By: Edwards, et al.  
(Delco)

S.J.R. No. 74

### SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds as college savings bonds by the Texas Higher Education Coordinating Board to provide educational loans to students and to encourage the public to save for a college education.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 50b-2 to read as follows:

Sec. 50b-2. ADDITIONAL STUDENT LOANS. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board or its successor or successors to provide for, issue, and sell general obligation bonds of the State of Texas in an amount not to exceed \$75 million in addition to those bonds issued under Sections 50b and 50b-1 of this constitution. Bonds issued under this section shall be issued as college savings bonds as provided by law.

(b) The bonds shall:

(1) be executed in the form, on the terms, and in the denominations as prescribed by law; and

(2) bear interest and be issued in installments as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The proceeds from the sale of bonds issued under this

1 section shall be credited to the Texas opportunity plan fund  
2 created by Section 50b of this constitution and shall be  
3 administered as provided by Section 50b of this constitution and  
4 the law enacted under that constitutional provision.

5 (e) Bonds issued under this section are payable in the same  
6 manner and from the same sources as bonds authorized under Section  
7 50b of this constitution.

8 (f) Bonds issued under this section, after approval by the  
9 attorney general, registration by the comptroller of public  
10 accounts, and delivery to the purchasers, are incontestable and are  
11 general obligations of the State of Texas under this constitution.

12 SECTION 2. This proposed constitutional amendment shall be  
13 submitted to the voters at an election to be held on November 7,  
14 1989. The ballot shall be printed to provide for voting for or  
15 against the proposition: "The constitutional amendment providing  
16 for the issuance of general obligation bonds as college savings  
17 bonds to provide educational loans to students and to encourage the  
18 public to save for a college education."

COMMITTEE REPORT

The Honorable Gib Lewis  
Speaker of the House of Representatives

May 17, 1989  
(date)

Sir:

We, your COMMITTEE ON HIGHER EDUCATION,

to whom was referred STR 74 have had the same under consideration and beg to report  
(measure)  
back with the recommendation that it

- ☒ do pass, without amendment.  
☐ do pass, with amendment(s).  
☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ☐ yes ☒ no An actuarial analysis was requested. ☐ yes ☒ no

An author's fiscal statement was requested. ☐ yes ☒ no

A criminal justice policy impact statement was prepared. ☐ yes ☒ no

A water development policy impact statement was requested. ☐ yes ☒ no

☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars for placement on the ☐ Local, ☐ Consent, or ☐ Resolutions Calendar.

This measure ☐ proposes new law. ☒ amends existing law.

House Sponsor of Senate Measure Delco

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Delco, Ch.				X
Rangel, V.C.	X			
Watkins, C.B.O.	X			
Hudson, D.		X		
Hunter, B.	X			
Hunter, T.	X			
McDonald	X			
Price				X
Uher				X

Total  
5 aye  
1 nay  
0 present, not voting  
3 absent

Irma Rangel  
CHAIRMAN  
Deborah K. Wall  
COMMITTEE COORDINATOR

(Delco)

#### BACKGROUND

Currently the constitution does not provide for the issuance of General Obligation Bonds as college savings bonds by the Texas Higher Education Coordinating Board.

#### PURPOSE

This resolution would amend the constitution by making the issuance of General Obligation Bonds by the Texas Higher Education Coordinating Board for the purpose of funding Higher Education legal.

#### RULEMAKING AUTHORITY

It is the opinion of the committee, that this legislation would confer additional rulemaking authority to the Texas Higher Education Coordinating Board by allowing the board to issue General Obligation Bonds.

#### SECTION-BY-SECTION ANALYSIS

Section 1. Amends Article III of the Texas Constitution by adding Section 50b-2.

Sec. 50b-2. Permits the legislature under general law to authorize the coordinating board to issue general obligation bonds not to exceed 75 million dollars and will be college savings bonds as provided by law.

(b) the bonds:

(1) the bonds shall be issued in accordance with the law.

(2) the bonds shall bear interest and be issued in installments as provided by law.

(c) The maximum interest rate borne by the issuer must be set by law.

(d) Proceeds from the sale of bonds issued under this section shall be credited to the Texas opportunity plan fund created under Section 50b of this constitution and the law enacted under that provision.

(e) bonds issued under this section are payable under in the same manner and from the same source as bonds authorized under Section 50b of this constitution.

(f) Bonds approved by the Attorney General and The Comptroller of Public Accounts are incontestable.

Section 2. Provides that this proposed amendment be submitted to the voters at an election to be held on November 7, 1989.

#### SUMMARY OF COMMITTEE ACTION

Pursuant to the suspension of the 5-day posting rule, the Committee on Higher Education met in a formal meeting on May 17, 1989 to consider SJR 74 by Edwards. The Chair moved that the resolution be reported favorably to the full house with the recommendation that it do pass. The motion prevailed by a record vote of 5 ayes, 1 nay, 0 PNV, 3 absent.

#### COMMITTEE ON HIGHER EDUCATION

- jlt/5-17-89



LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 12, 1989

TO: Honorable John T. Montford,  
Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Committee Substitute for  
Senate Joint Resolution No. 74

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 74 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education) this office has determined the following:

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The cost of publication of the resolution to the State is estimated to be \$60,000.

The resolution would be implemented by legislation such as Committee Substitute for Senate Bill No. 1762 with fiscal implications as follows:

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The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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The bill would require the Higher Education Coordinating Board to administer to the college savings bonds program.

The bill would authorize the Higher Education Coordinating Board to issue and sell college savings bonds which would be general obligations of the State in an amount not to exceed \$75 million. The bonds would be zero coupon bonds.

The proceeds from the college savings bonds would be a part of the Texas Opportunity Plan Fund to be used for student loans.

The fiscal implication to the State cannot be determined.

No fiscal implication to units of local government is anticipated.

Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, LV

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 3, 1989

TO: Honorable John T. Montford, Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Senate Joint Resolution  
No. 74  
By: Edwards

FROM: Jim Oliver, Director

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The college and university advisory board would consist of the Comptroller of Public Accounts, the commissioner of higher education, and three members of the public appointed by the Governor with the advice and consent of the Senate. The advisory board would be required to make recommendations concerning proper marketing of the bonds and advise the state treasurer and the Governor about an effective advertising campaign to inform the public about the savings bond program.

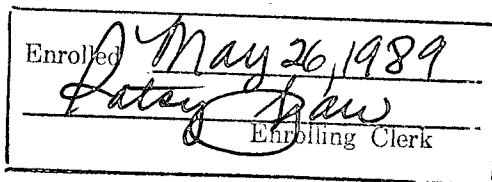
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Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, PA



S.J.R. No. 74

SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds as college savings bonds by the Texas Higher Education Coordinating Board to provide educational loans to students and to encourage the public to save for a college education.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 50b-2 to read as follows:

Sec. 50b-2. ADDITIONAL STUDENT LOANS. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board or its successor or successors to provide for, issue, and sell general obligation bonds of the State of Texas in an amount not to exceed \$75 million in addition to those bonds issued under Sections 50b and 50b-1 of this constitution. Bonds issued under this section shall be issued as college savings bonds as provided by law.

(b) The bonds shall:

(1) be executed in the form, on the terms, and in the denominations as prescribed by law; and

(2) bear interest and be issued in installments as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The proceeds from the sale of bonds issued under this

1 section shall be credited to the Texas opportunity plan fund  
2 created by Section 50b of this constitution and shall be  
3 administered as provided by Section 50b of this constitution and  
4 the law enacted under that constitutional provision.

5 (e) Bonds issued under this section are payable in the same  
6 manner and from the same sources as bonds authorized under Section  
7 50b of this constitution.

8 (f) Bonds issued under this section, after approval by the  
9 attorney general, registration by the comptroller of public  
10 accounts, and delivery to the purchasers, are incontestable and are  
11 general obligations of the State of Texas under this constitution.

12 SECTION 2. This proposed constitutional amendment shall be  
13 submitted to the voters at an election to be held on November 7,  
14 1989. The ballot shall be printed to provide for voting for or  
15 against the proposition: "The constitutional amendment providing  
16 for the issuance of general obligation bonds as college savings  
17 bonds to provide educational loans to students and to encourage the  
18 public to save for a college education."

S.J.R. No. 74

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.J.R. No. 74 was adopted by the Senate on May 15, 1989, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.J.R. No. 74 was adopted by the House on May 25, 1989, by the following vote: Yeas 105, Nays 30, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 12, 1989

TO: Honorable John T. Montford,  
Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Committee Substitute for  
Senate Joint Resolution No. 74

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 74 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education) this office has determined the following:

The resolution proposes a constitutional amendment which, if adopted, would authorize the Texas Higher Education Coordinating Board to issue up to \$75 million in general obligation bonds to assist in financing the Texas Opportunity Plan Fund to make loans to students to attend institutions of higher education. The proposed amendment would be submitted to the voters on November 7, 1989.

The cost of publication of the resolution to the State is estimated to be \$60,000.

The resolution would be implemented by legislation such as Committee Substitute for Senate Bill No. 1762 with fiscal implications as follows:

The bill would establish a college and university savings bond program to provide the public with a method of saving that encourages enrollment at public and private postsecondary educational institutions.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would establish a college and university savings bond program to provide the public with a method of saving that encourages enrollment at public and private postsecondary educational institutions.

The bill would require the Higher Education Coordinating Board to administer to the college savings bonds program.

The bill would authorize the Higher Education Coordinating Board to issue and sell college savings bonds which would be general obligations of the State in an amount not to exceed \$75 million. The bonds would be zero coupon bonds.

The proceeds from the college savings bonds would be a part of the Texas Opportunity Plan Fund to be used for student loans.

The fiscal implication to the State cannot be determined.

No fiscal implication to units of local government is anticipated.

Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, LV

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 3, 1989

TO: Honorable John T. Montford, Chairman  
Committee on State Affairs  
Senate Chamber  
Austin, Texas

In Re: Senate Joint Resolution  
No. 74  
By: Edwards

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 74 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education) this office has determined the following:

The resolution proposes a constitutional amendment which, if adopted, would authorize the Texas Higher Education Coordinating Board to issue up to \$50 million in general obligation bonds to assist in financing the Texas Opportunity Plan Fund to make loans to students to attend institutions of higher education. The proposed amendment would be submitted to the voters on November 7, 1989.

The cost of publication of the resolution to the State is estimated to be \$60,000.

The resolution would be implemented by legislation such as Senate Bill No. 1762, as introduced, with fiscal implications as follows:

The bill would establish a college and university savings bond program to provide the public with a method of saving that encourages enrollment at public and private postsecondary educational institutions.

The bill would require the state treasurer and the Governor to administer the savings bond program and supervise, organize, and evaluate the college and university saving bond advisory board created by the bill.

The college and university advisory board would consist of the Comptroller of Public Accounts, the commissioner of higher education, and three members of the public appointed by the Governor with the advice and consent of the Senate. The advisory board would be required to make recommendations concerning proper marketing of the bonds and advise the state treasurer and the Governor about an effective advertising campaign to inform the public about the savings bond program.

The bill would authorize financial incentives to be provided to the holders of college savings bonds; however, the bill stipulates the financial incentive cannot exceed the amount equal to one-half of one percent of the total amount of college savings bonds maturing during a biennium.

The bill would authorize the state treasurer to issue and sell savings bonds which would be general obligations of the State. The bonds would be zero coupon bonds.

The fiscal implication to the State cannot be determined.

No fiscal implication to units of local government is anticipated.

Source: Secretary of State;  
LBB Staff: JO, JWH, AL, TB, PA

WES ph

S.J.R. No. 74

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.J.R. No. 74 (1) was adopted by the  
Senate on May 13 (2), 1987, by the following vote:  
Yeas 31 (3), Nays 0 (4).

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.J.R. No. 74 (1) was adopted by the  
House on May 25 (5), 1987, by the following vote:  
Yeas 105 (6), Nays 30 (7), one present not voting.

\_\_\_\_\_  
Chief Clerk of the House



Edwards

## SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board to assist in financing the Texas opportunity plan fund to make loans to students to attend institutions of higher education.

Filed with the Secretary of the Senate

APR 10 1989

Read and referred to Committee on STATE AFFAIRS

Reported favorably

MAY 9 1989

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

MAY 15 1989

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

\_\_\_\_ yeas, \_\_\_\_ nays

MAY 15 1989

Read second time, \_\_\_\_\_, and ordered engrossed by:

unanimous consent  
a viva voce vote

\_\_\_\_ yeas, \_\_\_\_ nays

Caption ordered amended to conform to the body of the bill.

MAY 15 1989

Senate and Constitutional 3 Day Rule suspended by a vote of 30 yeas, 1 nays.

MAY 15 1989

Read third time, \_\_\_\_\_, and passed by 31 yeas, 0 nays.

Betty King

SECRETARY OF THE SENATE

## OTHER ACTION:

May 15, 1989

Engrossed

May 15 1989

Sent to House

Engrossing Clerk

MAY 15 1989

Received from the Senate

MAY 16 1989

Read first time and referred to Committee on

Higher Education

5-17-89

Reported favorably ~~amended~~, sent to Printer

4:40 pm

MAY 20 1989

Printed and Distributed

8:25 pm

MAY 20 1989

5-22-89

Sent to Committee on Calendars

9:19 AM

MAY 25 1989

Read second time (~~amended~~) and finally adopted

~~failed adoption~~ by Record Vote of 105 yeas, 30 nays, 1 present not voting.

Read third time (amended) and finally adopted

~~failed adoption~~ by a Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present not voting.

MAY 26 1989

Caption ordered amended to conform to body of resolution

Returned to Senate.

Betty Murray

CHIEF CLERK OF THE HOUSE

MAY 26 1989

Returned from House without amendment.

Returned from House with \_\_\_\_\_ amendments.

Concurred in House amendments by a viva voce vote \_\_\_\_\_ yeas, \_\_\_\_\_ nays.

\_\_\_\_\_ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

\_\_\_\_\_ Senate conferees instructed.

\_\_\_\_\_ Senate conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

\_\_\_\_\_ House granted Senate request. House conferees appointed: \_\_\_\_\_, Chairman;  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_ Conference Committee Report read and filed with the Secretary of the Senate.

\_\_\_\_\_ Conference Committee Report adopted on the part of the House by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

\_\_\_\_\_ Conference Committee Report adopted on the part of the Senate by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

**OTHER ACTION:**

\_\_\_\_\_ Recommitted to Conference Committee

\_\_\_\_\_ Conferees discharged

\_\_\_\_\_ Conference Committee Report failed of adoption by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

89 MAY 20 PM 8:25  
HOUSE OF REPRESENTATIVES

5/2